



South African Reserve Bank

Interchange Determination Project, Card Interchange Results Update 2015-01-26

1 Introduction

The purpose of this communiqué is for the South African Reserve Bank (the SARB) to provide an update on the final interchange rates determined through the SARB facilitated interchange determination project (IDP), with specific reference to the Card phase.

The update has been structured to provide feedback with regard to:

- The card interchange rates to that will be implemented on 16 March 2015, with the effective date being 17 March 2015; and
- The principles that will be used to determine when interchange rate adjustments should be considered for both the Automated Teller Machine (ATM) and the Card payment streams.

2 Rates to be implemented

The interchange rates that will be implemented on 16 March 2015 are as follows:

	Debit card	Credit Card
Card-present purchase (issuer and acquirer EMV compliant)	0,44%	1,48%
Card-present purchase (only the issuer is EMV compliant)	0,52%	1,55%
Card-present purchase (only the acquirer is EMV compliant)	0,36%	1,41%
Card-not-present purchase (issuer and acquirer are 3D Secure compliant)	0,48%	1,73%
Card-not-present purchase (only the issuer is 3D Secure compliant)	0,53%	1,89%
Card-not-present purchase (only the acquirer is 3D Secure compliant)	0,43%	1,57%
Cash-back at POS	R1,11/transaction	

3 Interchange rate adjustment principles

The intention of the interchange rate adjustment principles is to establish a baseline that will enable the SARB to assess when an interchange rate adjustment should be considered for implementation.

The interchange rate adjustment principles to be applied for both the ATM and the Card payment streams are as follows:

- Consideration for adherence to the IDP guiding principles established in Phase 2 of the IDP;
- Consideration of qualitative factors and issues raised by stakeholders and those deemed applicable by the SARB;
- The proposed adjustment should meet the percentage threshold as a predetermined by the SARB;
- Consideration should be given to the integrity and stability of the data used in the determination of the revised rates; and
- Consideration should be given to impact of changes to the interchange rate structures.

These principles will be considered collectively to inform the action that would need to be taken.

Any queries relating to the above-mentioned may be forwarded to NPSInterchange@resbank.co.za.